

AMENDED IN ASSEMBLY AUGUST 22, 2011

AMENDED IN ASSEMBLY JULY 13, 2011

AMENDED IN ASSEMBLY JUNE 29, 2011

**SENATE BILL**

**No. 225**

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**Introduced by Senator Simitian**

(Principal coauthor: Assembly Member Achadjian)

February 9, 2011

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An act to amend Section 44559.11 of, and to add Section 44559.12 to, the Health and Safety Code, relating to the California Pollution Control Financing Authority, *and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 225, as amended, Simitian. California Pollution Control Financing Authority: Capital Access Loan Program.

**The**

(1) *The California Pollution Control Financing Authority Act* establishes the Capital Access Loan Program for small businesses, administered by the California Pollution Control Financing Authority, which provides loans through participating financial institutions to qualifying small businesses. The authority is required to create a loss reserve account for each financial institution. The act authorizes the authority to enact regulations for the distribution of specified funds paid to the authority.

This bill would authorize the authority to establish loss reserve accounts for the purposes of financing terminal rental adjustment clause leasing, if funds are available for contribution into the loss reserve account from any source other than the authority. The bill would

prohibit, for purposes of the loss reserve accounts for terminal rental adjustment clause leasing, the use of funds provided by the federal government for the purposes of providing a loan loss reserve program.

(2) *This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 44559.11 of the Health and Safety Code  
2 is amended to read:

3 44559.11. (a) It is the intent of the Legislature to ensure that  
4 the state, through the authority, may make maximum, efficient use  
5 of capital access programs enacted by all federal and state agencies,  
6 as well as funding available from any governmental program whose  
7 goals may be advanced by providing funding to the Capital Access  
8 Loan Program.

9 (b) In furtherance of this intent, and notwithstanding any other  
10 provision of this article, when the contributions required pursuant  
11 to Section 44559.4 are entirely funded by a source other than the  
12 authority, the authority may, by regulation adopted pursuant to  
13 subdivision (b) of Section 44520, establish alternate provisions as  
14 necessary to enable the authority to participate in the alternative  
15 funding source program.

16 SEC. 2. Section 44559.12 is added to the Health and Safety  
17 Code, to read:

18 44559.12. (a) Consistent with subdivision (b) of Section  
19 44559.11, the authority may establish loss reserve accounts for  
20 the purposes of financing terminal rental adjustment clause leasing,  
21 if funds are available for contribution into the loss reserve account  
22 from any source other than the authority. The authority shall not  
23 contribute any funds into a loss reserve account created pursuant  
24 to this section. Funds provided by the federal government for the  
25 purposes of providing a loan loss reserve program shall not be  
26 contributed to an account created pursuant to this section.

27 (b) The executive director may establish conditions for terminal  
28 rental adjustment clause leasing loss reserve accounts created  
29 pursuant to this section.

1 (c) As used in this section, “terminal rental adjustment clause”  
2 means “terminal rental adjustment clause” as defined in Section  
3 7701(h)(3) of Title 26 of the United States Code.

4 *SEC. 3. This act is an urgency statute necessary for the*  
5 *immediate preservation of the public peace, health, or safety within*  
6 *the meaning of Article IV of the Constitution and shall go into*  
7 *immediate effect. The facts constituting the necessity are:*

8 *In order to ensure that the Capital Access Loan Program may*  
9 *finance new programs for the protection of the environment, at*  
10 *the earliest possible time, it is necessary for this act to take effect*  
11 *immediately.*